filing, unless Ameritech agrees to an extension or unless the Commission disapproves the statement. The Commission may continue to review the statement after the 60-day period expires.

Ameritech acknowledges that the 1996 Act obligates ILECs to provide physical collocation, but the company urges this Commission to place a similar obligation on the NECs. Ameritech maintains that physical collocation for NECs is not precluded by the 1996 Act and, in fact, is an example of a competitively neutral requirement contemplated by Section 253(b) (Ameritech supp. comments at 7; OCC supp. comments at 34). Cablevision urges the Commission to adopt for ILECs some of the standards listed in the 1996 Act regarding location and quality of interconnection. TW/OCTA posit that Section 252(a) of the 1996 Act requires ILECs to submit to this Commission all interconnection requirements negotiated prior to the date of enactment (TW/OCTA supp. comments at 12). Cincinnati Bell maintains that TW/OCTA and other commenters have misconstrued the interconnection requirement set forth in Section 252(a). The correct interpretation, according to Cincinnati Bell, is that Section 252(a) was meant to apply to existing arrangements between ILECs and NECs arrived at through negotiation in states where local exchange competition was authorized prior to the enactment of the 1996 Act (Cincinnati Bell supp. reply comments at 13).

As pointed out by Ameritech, the 1996 Act places a variety of obligations on ILECs. However, nothing in the 1996 Act precludes this Commission from applying similar conditions upon the NECs. Interconnection of competing networks is such a fundamental function to the provision of local exchange competition, we can find no valid reason to not apply the obligations and standards of interconnection equally upon all providers (both ILECs and NECs). Nothing in the proposed guidelines prohibits a LEC and an interconnector from mutually agreeing to institute service on a virtual collocation basis nor are LECs prohibited from seeking to provide virtual collocation where facilities are limited by space or technical constraints. Regarding existing EAS compensation arrangements, we determine that such arrangements were not entered into and approved pursuant to Section 252(a) of the 1996 Act. Rather, the Commission considers such arrangements pursuant to Section 4905.48, Revised Code.

IV. COMPENSATION FOR THE TRANSPORT AND TERMINATION OF TRAFFIC

The revised guidelines set forth that all LECs24 have a duty to establish reciprocal compensation arrangements for the transport and termination of traffic originated by another carrier and terminated over their network facilities or over facilities leased by them through the purchase of unbundled network elements from another underlying

facilities-based LEC. Notification-base LECs are not eligible for the transport and

termination of traffic. All ILECs and NECs are to measure local and toll traffic if

technically and economically feasible. Carriers unable to measure traffic may use a

percentage of local use (PLU) factor to bill originating carriers. Such records are subject

to periodic audits for validation of traffic jurisdiction. An ILEC's local calling area, as of

the date a NEC is actually operating within an individual ILECs' local calling area, shall

constitute the demarcation for differentiating local and toll call types for the purpose of

traffic termination compensation. Any end user call originating and terminating

within the boundary of such local calling area, regardless of the LEC at the originating or

terminating end, shall be treated as a local call, irrespective of subsequent changes in the

ILEC's local calling area. The Commission shall specify the date upon which a NEC is

deemed operational in an ILEC local calling area in effectuating this guideline.

For local traffic termination by carriers, the revised guidelines permit negotiated

or arbitrated arrangements which provide for the mutual and reciprocal recovery by

each carrier of the costs associated with transporting and terminating traffic over its

facilities and which represent a reasonable approximation of the additional costs of

terminating such a call. Arrangements that afford the mutual recovery of costs through the offsetting of reciprocal obligations, including arrangements such as bill and keep, are not precluded by this subsection. Interim interconnection arrangements that adopt bill and keep for one year and that require evaluation of the appropriateness of utilizing such method shall be considered just and reasonable according to the guidelines. LECs shall be required to offer flat-rate (per port capacity) compensation rates to other LECs requesting such method of compensation. Additionally, reciprocal compensation may be usage-sensitive, or a combination of usage-sensitive and flat-rate. For the Commission to find a proposed rate structure of compensation for the transport and termination of local traffic to be reasonable, a complete, well-developed cost study shall be submitted and evaluated.

For the transport and termination of toll traffic, ILECs shall use their current intrastate exchange access tariffs for compensation of toll traffic. NECs' transport and termination of toll traffic compensation shall be tariffed and may either mirror the rates of the ILEC providing service in the NEC's service area or the NEC may choose to establish its own rates. An intermediate LEC whose network is involved in the transmission of transit traffic must be compensated at either its applicable exchange access rate or, if technically feasible, by providing direct interconnection if both originating and terminating carriers are collocated in the intermediate carrier's central office. The revised guidelines also address an interim interexchange access revenue distribution procedure for use when number portability is provided on a remote call forwarding basis (RCF), to remain in effect until a permanent number portability solution is implemented.

The revised guidelines continue the Originating Responsibility Plan/Secondary Carrier Option (ORP/SCO) as a method by which ILECs reimburse each other for transporting and terminating toll traffic. Modifications have been made to the ORP/SCO arrangement which involve compensating intermediate ILECs for use of their network and revising the compensation to reflect tariffed rates now in effect as opposed to the rates in effect when the agreements were entered into. The revisions made to the existing ORP/SCO arrangements must be filed with and approved by the Commission. The guidelines also clarify that NECs are not permitted to participate in ORP/SCO arrangements as secondary carriers. As a function of being interconnected on a Feature Group D basis, NECs will be compensated for transporting and terminating traffic through the Carrier Access Billing System (CABS). Thus, NECs need not participate in ORP/SCO. However, we would point out that the interconnection arrangements between Primary Exchange Carriers (PECs) under ORP/SCO and the applicable rate elements shall be the same as under Meet Point Billing (MPB), the difference is only in the billing systems used which comply with requirement set forth in the 1996 Act (Section 251(c)(2)). As a final matter, the guidelines require that MPB arrangements be utilized in billing of compensation for all types of traffic between ILECs and NECs.

Ameritech expresses concern that the guidelines do not require the actual measurement of local and toll traffic. Between ILECs, according to Ameritech, the distinction between local and toll are currently identified through the use of separate trunk groups. This is the most efficient and effective method for separately identifying these two types of traffic and should remain the industry standard according to Ameritech. Only if both carriers mutually agree should combined trunk groups be permitted (Ameritech initial comments at 33). Several NECs maintain that, as a practical matter, establishing the ILECs' current local calling area as the standard by which local and toll calls are determined will constrain NECs from economically offering local calling areas which differ from the ILECs' calling areas Moreover, as MFS points out, this compensation provision apparently is not reciprocal. To elevate this inequity, MFS proposes that a LATA-wide bill and keep mutual compensation proposal be adopted (MFS initial comments at 16).

The ILECs generally oppose the imposition of bill and keep as the compensation method for termination of local calls. Cincinnati Bell and OTA even maintain that bill and keep compensation is unlawful (Cincinnati Bell initial comments, Appendix B at 5; OTA initial comments at 11). Following enactment of the 1996 Act, the ILECs argue that bill and keep as a compensation arrangement cannot lawfully be mandated. According to these commenters, Congress did recognize, through adoption of Section 252(d)(2)(B), that in some circumstances parties may negotiate a bill and keep arrangement to offset their reciprocal obligations and waive mutual recovery.

The NECS and OCC argue, following adoption of the 1996 Act, that bill and keep is specifically recognized as an appropriate compensation method by Section 252(d)(2)(B). OCC also disputes the ILECs' arguments that the 1996 Act allows bill and keep as a compensation arrangement only if mutually agreed to by the involved carriers (OCC supp. reply comments at 9). In any event, OCC argues the ILECs have already voluntarily entered into bill and keep arrangements with each other; therefore, those same arrangements must be offered to all similarly-situated parties seeking interconnection (Id.). TW/OCTA jointly argue that any distinction between local and toll traffic is inconsistent and inappropriate in light of the federal legislation (TW/OCTA supp. comments at 5). These commenters also posit that cost-based compensation rates are the only appropriate method of compensation to be utilized, if bill and keep is not utilized (Id. at 7).

For termination of toll traffic, CompTel and Ameritech claim that NEC switched access rates should be capped at those of the ILEC (CompTel initial comments at 33; Ameritech initial comments at 34). OTA supports the proposition that NECs use the lowest prevailing termination access rate in the state (OTA initial comments at 10). MFS also asserts that the guidelines concerning MPB arrangements need to be modified. According to MFS, Section 251(c)(2) of the 1996 Act imposes on ILECs an obligation to interconnect with NECs for the transmission and routing of telephone exchange service and exchange access service at rates, terms, and conditions that are just, reasonable, and nondiscriminatory. Therefore, according to MFS, the guidelines should make it clear that ILECs are required to offer NECs the same MPB arrangements that the ILECs have with each other through ORP/SCO (MFS supp. comments at 8).

Ameritech's concern regarding the measurement of local and toll traffic will be lessened under the revised guidelines since all LECs (ILECs and NECs) are to measure traffic if technically and economically feasible. On the other hand, we also acknowledge that, under certain conditions, it may be appropriate for a LEC to measure and bill traffic based on a percentage of local use factor. We expect the use of

PLU factors, in lieu of traffic measurement, to only be used in rare instances. The revised guidelines also leave open the possibility that carriers may mutually agree to separate dedicated trunks for local, intraLATA toll, and interLATA toll traffic.

Therefore, as NECs establish operations within individual ILEC local calling areas, the perimeter of each such local calling area, as revised to reflect EAS, shall constitute the demarcation for differentiating local and toll call types for the purpose of traffic termination compensation. Any end user call originating and terminating within the boundary of such local calling area, regardless of the LEC at the originating or terminating end, shall be treated as a local call, irrespective of subsequent changes in the ILEC's local calling area. The Commission shall specify the date upon which a NEC is deemed operational in an ILEC local calling area in effectuating this guideline. Nothing in these preclude the Commission for deciding on a case-by-case basis that an ILEC's local calling area should be expanded, thereby expanding the definition in this section for what should be treated a local call for traffic termination compensation purposes.

Most commenters now agree that the 1996 Act maintains bill and keep as a method of compensation for transport and termination of local traffic. Cincinnati Bell, while claiming that the Commission should not generically adopt bill and keep as a

method by which all local traffic should be compensated, even acknowledges that bill

and keep is not precluded pursuant to the 1996 Act. Thus, the argument that bill and

keep is an unlawful compensation method need not be further addressed. The

Commission also interprets Section 252(d)(2)(B) of the 1996 Act to authorize us to

impose bill and keep arrangements in an arbitration process and does not limit our

authority to authorize bill and keep if arrived at only through voluntary negotiations.

We also disagree with the assertion made by the NECs that a distinction between

local and toll traffic is now prohibited under Section 252(d)(2) of the 1996 Act.25 These

commenters are essentially arguing that the 1996 Act has preempted current access

charges when toll calls are terminated. This analysis fails to take into account other

requirements of the 1996 Act. Section 251(g) of the 1996 Act states that:

On and after the date of enactment of the Telecommunications Act of 1996, each local exchange carrier, to the extent it provides wireline services, shall provide exchange access, information access, and information service providers in accordance with the same equal access and nondiscriminatory interconnection restrictions and obligations (including receipt of compensation) that apply to such carrier on the date immediately preceding the date of enactment. . . until such restrictions and obligations are explicitly superseded by regulations prescribed by the Commission. . . .

Further, the legislative history of Section 251 eliminates any argument that Interexchange access charges are affected by the 1996 Act. The Joint Explanatory Statement of the Committee of Conference at page 117 states:

The obligations and procedures prescribed in this section do not apply to interconnection arrangements between local exchange carriers and telecommunications carriers under section 201 of the Communications Act for the purpose of providing interexchange service, and nothing in this section is intended to affect the Commission access charge rules.

V. PRICING STANDARDS

The revised guidelines set forth general principles of pricing. These guidelines apply to the facilities, functionalities, and services offered by all LECs except for the resale pricing standards which apply only to ILECs. In most cases, prices shall be set so that the LEC recovers its LRSIC and a reasonable contribution to joint and common costs incurred by the LEC.26 This contribution level may vary among services. However, essential non-competitive funcitionalities, facilities, and services included in the definition of state universal service, shall bear no more than a reasonable share of the joint and common costs necessary to provide those services. Rather, those subsidies associated with the provision of universal service shall be identified and recovered separately through the state universal service fund. Volume and geographically-based deaveraging discounts shall be made available to all LECs on a nondiscriminatory basis.

The revised guidelines further set forth that prices for interconnection and unbundled network elements shall be set so that the LEC recovers its LRSIC for providing interconnection and unbundled rate elements and a reasonable contribution to the joint and common costs incurred by the LEC. The profit level included in the LRSIC shall be the cost of capital which shall constitute "reasonable profit" for purposes of the 1996 Act. In the event a LEC believes that the cost of capital does not provide a reasonable profit, it has the burden of proof to establish, to the Commission's satisfaction, that a higher profit is warranted. The price for interconnection rate elements or unbundled network rate elements shall be set at LRSIC, plus an appropriate allocation of joint costs, plus 10 percent of the sum of LRSIC and allocated joint costs for the recovery of common costs. A LEC seeking a waiver from this pricing standard shall have the burden of proving that such price level is not compatible with the price established for the comparable functionality or facility provided by the LEC for the transport and termination of local traffic and to demonstrate any detrimental financial impact of such pricing. The revised guidelines also set forth a method of allocating joint costs among services as well as a methodology for developing LRSIC for interconnection and unbundled network elements.

Transport and traffic termination prices shall be set at a level that allows the carrier to recover LRSIC and a reasonable contribution to the joint and common costs incurred by the LEC. Prices shall be set above a price floor reflecting LRSIC, an appropriate allocation of joint costs, plus 10 percent of the sum of LRSIC and allocated joint costs for the recovery of common costs. The price shall also be set at a level that allows the LEC to pass an imputation test for local traffic in the aggregate on a total customer basis (i.e., residence and business). The price ceiling shall be the maximum price to be established such that it allows the LEC to pass an imputation test.

Prices for interim number portability utilizing RCF or DID shall be set at a level that takes into account of the relative inferior quality of the service provided, its interim nature, and its necessity for the development of a competitive market for local exchange services. The costs of long-term number portability shall be borne by all carriers on a competitively neutral basis. ILEC retail services offered at a discount or as a promotion shall be available to other carriers at a wholesale price that reflects either the promotional rate minus 10 percent or the wholesale rate, whichever is lower. As a final pricing matter, ILECs'[27] retail services shall be available for resale and priced on a wholesale basis. ILECs' wholesale prices shall be based on the retail rate charged to end users excluding the portion attributable to any marketing, billing, collection, and other costs that will be avoided by the ILEC.

ILECs shall be subject to certain imputation requirements if a service under review is offered by at least one other provider in the relevant market or geographic area if the competitor's service relies upon an essential input provided by that ILEC in the relevant market and if the ILEC uses the same essential input to provide its comparable service. The price of an ILEC service subject to the imputation requirement shall be equal to or greater than the sum of the tariffed rate for the essential input actually used by the carrier in its service offering as such rate would be charged by that carrier to any purchaser of that essential input with that market as well as the LRSIC of all other components of the carrier's service offering. An ILEC shall submit an imputation test for Commission review and approval whenever it files tariffs to introduce a new service subject to imputation requirements, files tariffs to reduce rates for a service subject to imputation requirements, or files tariffs to increase rates for essential inputs which are utilized in providing a competitive service. Included in the Commission's review of an imputation test will be the reasonableness of the relevant market or geographic area defined by the ILEC.

MFS asserts that Section 252(d)(1) of the 1996 Act requires that ILEC rates for the interconnection of facilities and equipment and for unbundled network components must be based on the cost (determined without reference to a rate-of- return proceeding) of providing the interconnection or network element and be non-discriminatory. Based on these factors, MFS maintains that the Commission must price ILEC unbundled network elements at LRSIC with no contribution (MFS supp. comments at 9). MFS further avers that Section 252(d)(2) of the 1996 Act requires that reciprocal and mutual compensation rates must be based upon the incremental costs (LRSIC) of transporting and terminating calls. Staff's proposal to include contribution in traffic termination rates is clearly at odds with the incremental pricing methodology contemplated by the 1996 Act according to MFS. In establishing mutual and reciprocal traffic termination rates, MFS encourages the Commission to base those rates on the hypothetical long run incremental cost of an efficient LEC operating in a competitive market (MFS supp. comments at 7). In their supplemental reply comments, MCI and MFS reject ALLTEL's assertion that the 1996 Act contemplates the use of embedded costs for pricing interconnection and network elements since embedded costs reflect historical costs, not forward looking costs (MCI supp. comments at 6; MFS supp. comments at 4). TCG posits that Ameritech's citation to Section 252(d)(2)(A)(ii) of the 1996 Act as support for including the cost of capital in the calculation of "additional costs" for calculating traffic termination rates is clearly erroneous because the cost of capital is the focal point of a rate proceeding (TCG supp. reply comments at 4).

Ameritech argues that a close analysis of the language in the 1996 Act reflects that rates for interconnection, network elements, and terminating traffic be set at a level that recovers both LRSIC and a contribution to joint, common, and other costs (Ameritech supp. reply comments at 4-5, 8). Ameritech also asserts that MFS' suggestion that a hypothetical carrier's LRSIC be created to establish traffic termination rates does not comply with Section 252(d) of the 1996 Act which requires that recovery be provided for "by each carrier of costs. . .on each carrier's network facilities" (Id. at 7). ALLTEL asserts that Section 252(d) of the 1996 contemplates the use of embedded costs for pricing of interconnection, network elements, and transport and traffic termination rates (ALLTEL supp. comments at 5). As support for the argument that contributions to joint and common costs are to be recovered through pricing of all services, ALLTEL notes that

Section 254(k) of the 1996 Act only authorizes the recovery of a reasonable allocation of joint and common costs from services defined as universal services. Therefore, the remaining joint and common costs must be recovered from the remaining services (Id.). GTE maintains that the 1996 Act, in Section 252(d)(1), authorizes the recovery of a reasonable profit in rates charged for interconnection and unbundled network elements. However, before a reasonable profit can be generated, a company must have recovered some contribution toward the recovery of joint and common costs (GTE supp. comments at 8).

As noted in the revised guidelines regarding interconnection and unbundled network element pricing as well as the pricing for transport and traffic termination, we disagree with the interpretation of MFS and other NECs that ILECs must price these functionalities at LRSIC with no contribution to joint and common costs. Section 252(d)(1)(a) of the 1996 Act is clear that state commissions in determining the justness and reasonableness of the rates established for the interconnection of facilities and equipment as well as network elements shall determine the rates based on the cost of providing interconnection and network elements and whether the rates are nondiscriminatory. In addition, a state commission may include a reasonable profit. If Congress had intended that the rates for interconnection and network elements be established at cost (LRSIC) then it would have so stated. It is also important to note that Congress included in the pricing guidelines that the rates may include a reasonable profit. Before a LEC could recover a profit on a particular rate, as permitted by this legislation, the LEC would have to recover some portion of its joint and common costs which are recognized by the Commission as costs incurred by the LEC in directly providing a family of services (joint costs) and indirectly in providing all services offered by that LEC (common costs). Further, as noted by several ILECs, Section 254(k) of the 1996 Act requires the FCC, for interstate services, and the states for intrastate services, to establish any necessary cost allocation rules, accounting safeguards, and guidelines to ensure that services included in the definition of universal service bear no more than a reasonable share of the joint and common costs of facilities used to provide those services. By definition, therefore, a LEC has to recover the rest of its joint and common costs from the remaining services. Finally, as a matter of economic principle it is not possible for a firm to price all its services at its LRSIC without recovering its joint and common costs from those services. The plus 10 percent factor we have adopted will avoid disputes as to whether the LEC has excess joint and common costs. It is also consistent with our application of alternative regulation to Ameritech and Cincinnati Bell, where a plus 10 percent standard for recovery of joint and common costs was adopted.

For similar reasons, we reject the NECs arguments that the rates for transport and traffic termination must be set at LRSIC. Rather, we have determined that the rates should allow all LECs to recover their LRSIC of providing the service plus a reasonable contribution to the joint and common costs incurred. We also reject MFS' suggestion that the rates for transport and traffic termination be set at a rate based upon the LRSIC of a hypothetical efficient LEC. The suggestion is clearly at odds with the provisions of Section 252(d) of the 1996 Act which state that such rates provide for the mutual and reciprocal recovery by each carrier of costs associated with the transport and termination on each carrier's network facilities of calls that originate on the facilities of another carrier. Moreover, no commenter in this proceeding shares MFS' view on this matter.

Regarding interim number portability pricing, we recognize that the prices LECs may charge other carriers for this service are not at the level ILECs have heretofore been able to charge end users. Since these are interim solutions which will be replaced with a permanent solution in the near future, no carrier will be harmed by such an approach. Moreover, adoption of this interim pricing proposal recognizes the inferior quality provided by RCF and Direct Inward Dialing (DID) as a number portability mechanism

This is not surprising, however, given that RCF and DID were not designed for this purpose.

We further dismiss ALLTEL's position that embedded costs be used to establish the rates for interconnection, network elements, transport, and traffic termination. Embedded costs represent the historic method of setting rates in a rate case-type proceeding. In evaluating the justness and reasonableness of interconnection and network rate elements, the 1996 Act directs state commissions to consider the costs without reference to a rate-of-return or rate-base proceeding. Similarly, in determining the appropriate charges for transport and traffic termination, the state commissions are not to engage in any rate regulation proceeding to establish with particularity the additional costs associated with transport and traffic termination nor are we to require carriers to maintain records with respect to the additional costs of calls. As indicated previously, we will not guarantee a "make whole" between LRSIC, and embedded costs. The appropriate treatment of such revenues will be examined closely if an ILEC seeks to increase a basic local exchange rate under Sections 4909.18 or 4927.04, Revised Code

The final argument we must address in the pricing section is whether or not capital costs are an appropriate element to recover in a calculation of the "additional costs" associated with traffic termination rates. Since capital costs are an appropriate factor to include in the LRSIC calculation and since the guidelines permit all LECs to set their prices at a rate that recovers LRSIC, we find that capital costs are an appropriate factor for recovery in traffic termination rates. Moreover, as noted above, the capital costs will be included in a LRSIC study and not established pursuant to rate-of-return or rate case-type proceeding as addressed in the 1996 Act. As a result, we will make the determination concerning an appropriate forward-looking cost of capital rather than use the cost authorized in the company's last rate-of-return proceeding.

VI. TARIFFING REQUIREMENTS

Due to revisions made throughout the other sections of staff's proposal, the tariffing requirements section has been significantly edited. This section has also been rewritten in order to clear up much of the confusion evident among the commenters. The revised guidelines require all LECs to maintain end user tariffs. NECs affiliated with competitive telecommunication service providers can retain 563 treatment provided the NEC and CTS provider are separate affiliates and comply with the applicable affiliate transaction guidelines. Otherwise, all NEC services will be regulated according to the procedures set forth in these guidelines. New service applications for

NECs shall be subject to a 30-day prefiling notice and a 0-day effective date following filing with the Commission. The Commission retains the right, however, to impose a full or partial suspension under the appropriate circumstances. ILECs' tariff filings will be subject to their currently applicable regulatory framework.

NECs will establish their end user rates based upon the marketplace and are not required to develop and submit LRSIC studies justifying the rates charged. In addition, NECs are authorized to file flexible rate schedules. Flexible rate schedules have an established minimum and maximum rate, with the rates applicable at any given time within the range of minimum and maximum levels being set forth in price lists on file with the Commission. A change in rates, either upward or downward, within the approved flex band schedule will not require any action on the part of the Commission, because the prior approval of the minimum and maximum levels constitutes approval of each rate within the range. The Commission reserves the right to apply specific pricing limitations on certain NEC services.28 The Commission also, reserves the right to request cost or other information and NEC pricing practices are subject to Section 4905.33, Revised Code. Although we are not, at this time, reviewing the end user rates of the NECs, we reserve the right to do so if, as suggested by OCC, a NEC becomes dominant in the marketplace. A NEC with significant market power and dominance can be potentially as damaging to effective competition as an ILEC with unregulated control of bottleneck monopoly facilities. ILECs' end user rates will be subject to each ILEC's currently applicable regulations (i.e., alternative regulation, traditional regulation, or 564).

Additionally, those carriers providing service through their own facilities or in combination with its own facilities will be required to maintain carrier-to-carrier tariffs which shall include services, features, and functionalities for purchase by any certified LEC. Only certified carriers will be permitted to purchase from the carrier-to-carrier and carrier resale tariffs. An ILEC's initial carrier resale tariff filing will not be subject to any automatic approval process. A facilities-based NEC's initial carrier resale tariff filed with a certification application will be subject to an automatic 60-day approval process, unless suspended. A LEC may also prepare and file with the Commission a carrier-to-carrier tariff, other than for resale, which contains the terms and conditions for services, features, and functionalities that such company generally offers. Any negotiated terms and conditions between carriers which have been approved by the Commission must be made available on a nondiscriminatory basis to any certified carrier. Initial carrier-to-carrier service tariffs filed by ILECs will not be subject to an automatic approval process. Initial carrier-to-carrier tariffs filed by a NEC shall be subject to an automatic approval process if filed within the context of the NECs' certification proceeding..

For carrier-to-carrier new services following the initial tariff filing, NECs shall be subject to a 30-day prefiling notice to the Commission's staff followed by a 0-day effective date unless suspended. ILECs' carrier-to-carrier tariff filings after the initial tariff filing, will be processed based upon the ILEC's currently applicable framework; however, an ILEC may apply for tariff filing parity under certain circumstances. NECs will also be permitted to change the terms and conditions of an existing service or withdraw an existing service by filing an ATA. Such application will be subject to a 30-day automatic approval procedure and will become effective 31 days after filing unless suspended. In applications seeking to withdraw a service or to change the terms of an existing service the NEC must provide documentation that prior customer notice was given to the affected customers.

Notice of price list changes must be filed by the NEC in its TRF docket and shall be effective upon filing. Moreover, where end user customers or resellers or both are affected by a price list increase, within an approved range of rates as opposed to an overall rate increase, prior notice must be given to such customers. NEC increases outside of an approved range will be processed pursuant to the Ohio Revised Code. An

ILECs' price list filings shall be processed based upon their currently applicable regulatory framework; however, an ILEC may apply for tariff filing parity.

NECs will also be permitted to offer end user and carrier resale promotions provided the terms and conditions of all promotions are identified in price lists filed in the NEC's TRF docket. NEC promotional offerings shall be effective on the day of filing. End user promotional tariff offerings must be filed in writing with the Commission and shall be treated as applications not for an increase in rates provided the company has a provision in its tariff which indicates that it may from time-to-time, upon approval of the Commission, engage in special promotions. Promotional tariff offerings will be presumed to be just and reasonable, unless the Commission finds otherwise, and thus, will be allowed to automatically go into effect upon filing absent contrary Commission action. The Commission considers a promotional tariff offering to be a trial service offering of limited duration (i.e., not to exceed 90-days per trial period per customer) designed to attract new customers to a particular carrier or to increase an existing customer's awareness of a particular tariff offering of the carrier. Promotional tariff offerings only affect recurring end user charges; there is not limit upon a waiver of non-recurring charges. Section 4905.33, Revised Code, shall apply to all promotional offerings. End user promotional tariff offerings must be